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Equal Laws—Equal Rights, and Equal Burdens—The Constitution and its Currency.

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WHOLE NO. 213.

SPEECH

Of Ben. Metcalf, Esq.,

Before the Mass Meeting of the Democracy of Putnam, held at Glandorf, March 4th, 1845.

MR. PRESIDENT:—We have not assembled here this evening to consult together upon the subject of general politics. In relation to that matter, which during the last year, so entirely absorbed the attention of the people, the public mind has been happily put to rest by that sublime triumph of democratic principles this day consummated in the inauguration of James K. Polk.

We meet, sir, to commune together upon a subject of infinitely greater importance to us as citizens of Ohio, than any question of national policy which has ever agitated the public mind. We meet to consult together upon a measure in which are involved the destinies of the people of Ohio, perhaps, for all time to come. We meet to consult together, and concert means to avert the desperate calamity with which we are threatened through the action of the base trucklers to Bank dominancy in the present Legislature. The issue which we, as a part of the sovereign people of Ohio, are called upon to determine, is fraught with nothing less than the liberty of the people—the equality of rights and the equality of burdens on the one side—and slavery, exclusive privileges, and a privileged order of Bankers and paper money nabobs on the other. And we meet on this, the day on which the nation at large lays aside the mourning weeds, worn during the past four years of misrule, and once more dons the cap of liberty, and wraps herself in the mantle of peace and prosperity—on this the day when the destinies of the nation are once more committed to the watchful care of their ancient, watchful and true guardian, the democratic party, because it is a day which will remain hallowed as one of the pure spots on the waste of memory as the time of our redemption from the thralldom of federalism.

For centuries during the night of barbarism which enveloped the world from the fall of the Roman Empire, until the middle of the last century, the mass of this Christian world was held in chains under the iron rule of the feudal system, and the ruinous machinery put to work by tyrants to sustain it. The individuality of man was a thing not known, at least not generally known. The many were only regarded as the villians and followers of the fudatory lords, their masters; and they were willing, servile serfs—proud of their masters, and emulous only to stand high in the estimation of the proud usurers who trampled upon them. They willingly licked the hand which answered with a caress, but carressed only to destroy. But as that darkness which enveloped the nations began to disperse before the effulgent light of modern improvement, and the knowledge of the rights of man become a commodity no longer confined to the cloister, but diffused throughout Christendom, wherever there were hearts to rejoice in the possession of the celestial boon liberty, the rusty chains in which the world was bound, began to give way, as man once more began to arise in the dignity of his nature, and assert those rights, of the enjoyment of which he had been so long deprived by the robbers of his species. The tyrants took the alarm. Time proved the futility of every attempt to strengthen and rebuke the tottering bastille in which their victims had so long groined, and it was given up in despair, a prey to the devouring spirit of the age. But with the instrument of tyranny, the disposition to tyrannize did not disappear. The old shackles were no sooner worn out and shaken off, than the wits of the wise ones were put to the torture to discover new modes of oppression. The time had passed when men gloried in chains, and licked the hand which smote them. Erect in all the conscious pride of liberty and equality, they spurned with indignation every open attempt to fetter them. "But tyranny, like hell, is not easily conquered;" when every other effort to reduce men to their ancient servitude failed, an insidious poison, the very touch of which was death, was sought out, and diffused through the public body in the shape of paper money.

"Best paper credit! best and best supply, That lends corruption lighter wings to fly." We are approaching the crisis of this last struggle between the friends and enemies of liberty and equality. The issue is well made up. Nothing will satisfy the friends of the paper credit system, but an overshadowing public debt based upon the taxes of the people, and an eternal mortgage upon their farms and property, and an aggregate of individual indebtedness sufficient to bankrupt the world with all their attendant evils in corrupting and poisoning the currents of justice—corrupting and destroying the utility of the ballot-box, through the meretricious appliances of paper money—overruling the legislative assembly, and directing it at will and spreading the mildew of corruption and servility through the entire body of the people.

The party thus laboring to prostrate our fair Republic fabric, and undo the labors of the patriots of "the times that tried men's souls" constitute a mighty army on this and the other side of the Atlantic, unsurpassed in point of intelligence and wealth, and rich in everything calculated to insure victory save truth. They number the fund-mongers, stock-jobbers, brokers, bankers, shavers and swindlers of every country in Christendom.

They have but one god at whose shrine they bow the knee—but one idol cherished in their heart of hearts—but one object at which they all aim, let the means appear ever so dissimilar. On the other side are the friends of equality and constitutional liberty, armed in the panoply of truth, and controlled entirely by that patriotic devotion to the welfare of mankind, which warmed the hearts of the fathers of the Democratic party, struggling only for the preservation of the principles of the Constitution, and bringing back the country to the currency of the Constitution, and nothing short of this end will satisfy them. There may be individuals who are opposed to the enormous extension of paper credit contemplated by the law passed during the present session—to the floods of corruption intended to be poured through the public mind and morals, and to the dangerous political ascendancy aimed at and likely to be achieved by the paper money power, and who yet have a hankering after the flesh-pots of their oppressors; but they are few and far between. There are others who may think that the time for "cutting up the evil by the roots" has not yet arrived—that party expediency demands a longer endurance of the evil, and a half-hearted opposition to the extension of it, may be all they deem safe for the advancement of the party; but this class too, is few. There can be but two sides to this question—there is no half-way house of policy; all those contending for banks of issue in any shape, may be regarded as laborers in the army of the enemy. The difference between them and those who passed the bank bill, is a mere matter of taste—mere difference of opinion in relation to the details of the same iniquitous system. The real issue is at last made up—the entire, undisputed ascendancy of the paper money power, or its total annihilation. We must array ourselves on the one side or the other. We must, if we would preserve the rights of freemen, in a land consecrated by the blood of freemen, join the hosts of the generous and glorious democracy, in prostrating this many-headed monster.

There may be, and are, beyond doubt, many honest and patriotic men opposed to this system in every possible shape, who yet fear the issue and shrink from the conflict. To such men we say the conflict must come, sooner or later. The battle must be fought—yes, and the victory won, or the people of Ohio must be lashed to the car of this monster system, from which there will be no escape save in revolution. Is it not better that we meet the armed brigades of Bank power and privilege at once, rather than lay still until their schemes of plunder are perfected? Shall we surrender everything dear to the patriot heart, through cringing cowardice and irresolution? Or shall we not, rather, like honest men, battling for their rights, stand forth in this crisis of the struggle, and relying on the correctness of our motives, the righteousness of our cause, march right on to victory?

"Why should we shrink from what we cannot shun, Each has his pang, but feeble sufferers groan With brain-born dreams of evil all their own."

The history of banking is a dark list of disasters. Each page is marked with commercial distress, and financial embarrassment. Its onward career of destruction and desolation may be traced by the beggary and sufferings of the great mass of the people, and the princely wealth of the few sharpers who manage its operations. Its fluctuations keep the commercial world in a turmoil. Its conventional value makes it the prey to every unforeseen difficulty in the history of the State adopting it. The loss of a battle—the failure of a crop—the burning of a city—the losing of a vessel—or dishonesty in the persons managing the machinery of paper money, throws the State and people relying upon the use of it into an uproar; and frequently produce distress from which they do not recover in years. In the beginning of the last century, the people of France got drunk on the delusive dreams of wealth, awakened by the Mississippi paper money scheme of John Law. The bursting of that bubble spread desolation and distress throughout the Kingdom; but it was a lesson big with instruction, and the French people profited by it. In England the system has been productive of results of greater terribleness and ruin. Her National Bank and National Debt commenced their career of tyranny together. The Bank is the mother of the debt, and justly chargeable with all its evils. Their Bank has existed one hundred and fifty years—located in the commercial emporium of the world—concentrating within herself the control of the business of the most commercial and manufacturing people on the globe—mistress of King, Lords and Commons, in extending and withholding "the sinews of war"—with her commerce covering the seas, and her manufactures multiplying on land—with a trained army to defend and support her in parliament, and the monarch and ministry subject to her heartless dictation and control; she has been unable to preserve the credit of her promises to pay; she has not been able to secure a uniformity in the value of her evidences of indebtedness. But in every financial storm—in every commercial embarrassment, generally brought about by herself, she has proved a bankrupt for millions, and upon the very verge of ruin. In 1745 she was unable to redeem her notes—in 1797, driven once more to the wall, with tens of millions of her notes in circulation, nothing but the strong arm of a tyrannical ministry, and a

parliament bought up and corrupted to her will, saved her from exploding and her rottenness from being laid open to the gaze of the millions upon whose credulity she has been able to support herself and in the product of whose labors she has reaped. Parliament legalized her wholesale robbery, by authorizing a refusal to pay her debts, and making the evidence of this monster bankrupt's indebtedness a tender in payment of other debts; and the laboring millions, starving for bread, were made to bite the dust at the foot of this most arrogant, heartless tyrant that ever disgraced the world. The Banks of England have made of the people of England a nation of paupers. They have wrung from the hard hand of labor the pittance of its hire—they have robbed and starved the widow and the orphan—they have been instrumental in producing nearly all the iniquitous wars and blood shed in which that country has engaged in the last century and a half—they have presented the influx of the precious metals, and driven from the country what there once was in circulation;—they have entailed upon the nation a debt which the blood of all the bankers of the Empire would hardly pay, if every drop were coined into a British sovereign; and they have fastened upon the people a burden of taxation, destined to be eternal in duration, and unexampled in its extent and unequal operation. And yet with these lessons staring them in the face, the advocates of the Banking system in Ohio direct us to the happy condition of "the merchant princes" of England, as an argument in favor of their system! The squalid misery and starvation pervading the ranks of the laboring poor, are kept carefully in the background; and they set down England with her millions of starving operatives and mechanics, as a perfect model for the Republican States of this Union! Such are the arguments of bankers and bank-bought legislators; such are the arguments that have operated upon the federal majority of the present legislature to produce this system so aptly styled "Kelley's litter of blind pups."

But we turn to the history of Banking in our own country for additional proofs of the inutility of the system. But first, has the State of Ohio any power to emit bank notes to circulate as money? The 10th section of the 1st article of the constitution of the United States, provides that

"No State shall coin money—emit bills of credit—or make anything but gold and silver coin tender in payment of debts."

In order that we may arrive at a clear understanding of what the framers of the constitution meant by "bills of credit," I shall quote from the Madison Papers a part of a debate which sprung up in the Convention on the motion of Governor Morris to strike from the constitution a grant of power to congress to emit bills of credit. In this debate, many of the leading men of that assembly of wisdom and patriotism participated; and what may seem singular to some in this age of paper, most of them used, and regarded, "bills of credit" and paper money as synonymous terms:

"Mr. Mason had doubts on the subject.—Congress, he thought, would not have the power unless it were expressed. Though he had a mortal hatred to paper money, yet, as he could not foresee all emergencies, he was unwilling to tie the hands of the Legislature."

Mr. Mercer said: "He was a friend to paper money, though in the present state and temper of America he should neither propose nor approve of such a measure. He was consequently opposed to a prohibition of it altogether. It will stamp suspicion on the Government to deny it a discretion on this point. It was impolitic, also, to excite the opposition of all those who were friends to paper money."

Mr. Ellsworth thought this a favorable moment to shut and bar the door against paper money. The mischief of the various experiments which had been made were now fresh in the public mind, and had excited the disgust of all the respectable part of America. By withholding the power from the new Government, more friends of influence would be gained to it than by almost any thing else. Paper money can in no case be necessary."

Mr. Randolph, notwithstanding his antipathy to paper money, could not agree to strike out the words, as he could not foresee all the occasions that might arise."

"Mr. Wilson. It will have a most salutary influence on the credit of the United States to remove the possibility of paper money."

"Mr. Butler remarked that paper was a legal tender in no country in Europe."

"Mr. Read thought the words, if not struck out would be as alarming as the mark of the beast in Revelations."

"Mr. Langdon had rather reject the whole plan, than retain the three words, 'and emit bills.'"

The clause was struck out by a vote of nine to two; as before observed, it was the object of those who voted for striking out the clause, to prevent Congress from furnishing a paper medium of circulation.—All who favored striking out, expressed themselves so; and all who opposed it, admitted that it would confer the power upon Congress to bring upon the country all the evils of a paper circulation, and that to deny it would be shutting and barring the door against paper money. But to return to the prohibition. The same men with their colleagues, whose opinions we have just given, denied to the States the power to emit bills of credit. Did they, or did they not, deny to the States the power to inundate the country with paper money? did they regard the silence of the constitution upon the power of Congress to emit bills of credit, as "shutting and barring the door against paper money?" and at the same time regard a positive prohibition to the States to emit bills of credit, as leaving it optional with them to circulate or not to circulate paper money? Did they deny

to the States the power to make anything but gold and silver coin a tender in payment of debts, and yet leave them the power of making the entire circulating medium consist of paper money? Did they deny to the States the power to coin money, in order to preserve a uniform currency throughout the Republic and yet permit the States to create twenty-six distinct and independent currencies, differing in value and amounts, so as to create a perfect Babelian confusion?—They certainly intended that the States should possess no such power. Their object was to "shut and bar the door against paper money." They could not effect that object while the States retained the power of driving the precious metals from circulation and substituting in their place the paper money issued by the twenty-six independent States. But we give the view of Mr. Madison—the sage and father of the Constitution, in relation to the extent of the prohibition to the States to emit bills of credit, as expressed in the forty-fourth number of the Federalist. He says:

"The extension of the prohibition to bills of credit must give pleasure to every citizen in proportion to his love of justice, and his knowledge of the true springs of public prosperity. The loss which America has sustained since the peace, from the pestilential effects of paper money in the necessary confidence between man and man; in the necessary confidence in the public councils; in the industry and morals of the people, and on the character of Republican Government, constitutes an enormous debt against the States, chargeable with this unwise measure, which must long remain unsatisfied; or rather an accumulation of guilt, which can be expiated not otherwise than by a voluntary sacrifice on the altar of justice, of the power which has been the instrument of it."

It may be said that Mr. Madison alluded only to the emission of bills of credit directly by the States, as was done during the revolution. He certainly did allude to that kind of paper; but it is evident that he alluded to every species of paper money. It was not the particular effects of any particular paper money to which he referred, but to all kinds. Nearly all the fathers of the country entertained a deadly hostility to paper money in every shape. Washington, Madison, Adams, Jefferson, Morris, Mason—all regarded it as directly hostile to Republican government, and all regarded the Constitution as divesting the States of the power to furnish a paper money medium. Mr. Webster, the idol of the paper money and monopoly party in a speech made in Congress in 1835, used the following language:

"The constitution which had guarded its currency with more care for the framers of the constitution, and those who enacted the early statutes on this subject, were hard money men; they had felt, and therefore duly appreciated, the evils of a bank medium; they therefore sedulously guarded the currency of the United States from debasement. The legal currency of the United States was gold and silver coin; this was a subject in regard to which Congress had run into no folly."

With the paper money party, who have recently paid Mr. Webster one hundred thousand dollars to induce him to take a seat in the Senate, such authority must be deemed good.

Mr. Webster regarded the framers of the Constitution "as hard money men." They had seen and appreciated the evils of paper money. They therefore sedulously guarded the currency of the United States from debasement. "Gold and silver coin constituted the legal currency of the United States." But before leaving this branch of the subject, I shall present the definition of the words "bills of credit" given by the Supreme Court of the United States, and pronounced by chief justice Marshall in 1830. The Court says:

"Bills of credit signify a paper medium intended to circulate between individuals, and between Government and individuals, for the ordinary purposes of society. Such a medium has been always liable to considerable fluctuations. Its value is continually changing, and these changes, often great and sudden, exposed individuals to immense losses, are the sources of ruinous speculations, and destroy all confidence between man and man. To cut up the mischief by the roots—a mischief which was felt through the United States, and which deeply affected the interests and prosperity of all, the people declared in the Constitution that no State should emit bills of credit. If the prohibition means anything—if the words are not empty sound—it must comprehend the emission of any paper medium by a State Government for the purpose of common circulation."

This exposition can admit of no comment. If the constitution means anything—if the words are not empty sounds—it must comprehend the emission of any paper medium by a State Government for the purpose of common circulation." So says Chief justice Marshall—so says common sense; and so answers every honest man's conscience enquiring after the real import of the words. The robbers, only, whose "craft is in danger," are willing to still the voice of conscience—to set at defiance right and reason—to fatten on the sweat and toil of the laboring millions—to prepare their souls and mar the beautiful system cemented by the blood and labor of heroes and patriots, to hawk at and tear the hallowed charter of our national existence, all for filthy lucre and ill-gotten gains.

Does not the law recently passed by the legislature, authorize the emission of bills of credit? Are they not a paper medium? Are they not issued by the State of Ohio for common circulation? Oh! but they are not made redeemable at the State Treasury! Neither are Ohio stocks in many cases made payable at the Treasury. But the faith of the State is not pledged for their redemption! So much the more villainous in the State to impose upon its citizens illegal trash as money, for the redemption of which it is unwilling to plight its faith.

tion of which it is unwilling to plight its faith.

But such a pledge is no part of the definition of the Supreme Court. Oh!—but—says some fat, greasy Bank nabob, those are notes not issued by the State! they are issued by the State Bank! and therefore are not bills of credit! Shades of Locke, Jefferson and John Jones—what a discovery!—They are not bills of credit because they are issued by a company! And that company derived an exclusive privilege to emit a paper medium, for the purpose of common circulation, from the State of Ohio! and she agrees, in consideration for the same, to plunder the good people of Ohio, annually to the tune of a few millions! And this is a transaction which, according to the horn-book of federalism, is shielded by the sacred axis of the law—protected by the hallowed mantle of public faith from subsequent legislation!—shut up, like the hidden manna of the heart, from that clause of the Constitution which deprives the States of the right to impair the obligation of contracts! A contract! What is a contract? Let Chief Justice Blackstone answer this question: "a contract," says he, "is an agreement between two or more persons to do or not to do, a particular thing." The persons contracting here are the State, and the companies created under the law. The thing performed on the part of the State is the conferring of the exclusive power upon the companies incorporated to emit a paper medium for the common purpose of circulation; and the consideration paid for that exclusive privilege is the emission of the paper medium. To constitute a contract three things are necessary: The parties must be capable of contracting;

The thing to be done must be a legal one; and

The consideration must be valuable.

The thing which the State agrees to do, is to confer the power to emit a paper medium for circulation. Has she any such power to confer? If she has, can she not exercise it in any other way just as legitimately as to confer it upon Bankers? If she has not the power to emit the bill, can she confer it upon others? If she issues the paper herself, she issues bills of credit, which are prohibited by the organic law. If she pretends to confer it upon others, she emits bills of credit through the instrumentality of the agents upon whom she confers the power, and equally commits an infraction of the Constitution. If she, in her proper person, has not the power to issue the paper, she certainly cannot confer that of which she is not possessed, and the agreement to do so is in opposition to the organic law of the land, and this essential part of the contract fails. The position that the State can confer upon companies powers of which she is deprived, reminds us of the father of lies, who, we are told in the good book, on a certain occasion, took our Savior up into an exceeding high mountain, and showing him the kingdoms of the world, told him that he would bestow it all upon him if he would fall down and worship him; when, at the very same time, the old rascal was not the owner of a foot of land in the world. The Banks derive their authority from the State government. If the State possess no such power, the Banks cannot derive it from her; and the emission of their paper medium is a high-handed usurpation of a right denied to the States by the federal Constitution. The Banks themselves are public nuisances, created in derogation of the paramount law of the land, against the public policy, public tranquility, and public welfare, and should be abated the same as any measure that poisons the atmosphere which we breathe, the water which we drink, or obstructs us in the performance of our every-day business. But the position that the emission of a paper medium by banks, under the authority derived from the State, and under the supervision of the State authorities and amenable to the laws of the State, for an abuse of the power reposed in them, is not substantially an emission of a paper medium by the State for the purpose of common circulation, is really too absurd to admit of further refutation. The State acts only by agents. The banks must be considered as the simple agents of the State, with authority as such agents to furnish the people a paper medium of circulation. Or in other words, to banish the currency of the Constitution, and substitute therefor a worthless and illegal currency of bills of credit.

Banks were originally designed, not as the makers or circulators of a paper medium, but as places of deposit, safe keeping, and easy transfer of coins. When they afterwards commenced the business of discounting and loaning, they still did their business in coins; and for a long time this kind of banking was carried on possibly to the advantage of those amongst whom it was established. Banks then were the balaces and lenders of real money. It remained for the sharpers of modern times to pervert their design, and convert them into overgrown borrowers and brokers—generally bankrupts for hundreds of thousands, sometimes for millions, of money borrowed from the duped and confiding people, and yet boasting the reputation of great public benefactors.

The history of banking in the United States, is a history of expansions and contractions, disasters and fluctuations, prostration, wreck and ruin. At the adoption of the federal constitution, there were but three banks in the Union, with a capital of four and a half millions, a metallic medium of nine millions; and a paper circulation of only two and a half.